

# MICHIGAN STATE TRANSPORTATION COMMISSION

## PUBLIC MEETING

January 17, 2019

Aeronautics Administration Building, Lansing, Michigan

## MEETING MINUTES

**Members Present:** Todd A. Wyett, STC Chair  
George K. Heartwell, STC Commissioner  
Helen Zeerip, STC Commissioner  
Charles F. Moser, STC Commissioner  
Chris J. Yatooma, STC Commissioner

**Members Absent:** Michael D. Hayes, STC Vice Chair

**Also Present:** Tony Kratofil, COO, MDOT  
Laura Mester, CAO, MDOT  
David Brickey, Assistant Attorney General, Transportation Division  
Troy Hagon, Commission Advisor  
Carol Rademacher, MDOT Contract Services Division  
Brad Wieferich, Director, MDOT Bureau of Development  
Jason Gutting, Engineer, MDOT Construction Field Services Division  
Todd White, Director, MDOT Transportation Planning  
Polly Kent, Administrator, MDOT Asset Management and Policy Division  
Kim Avery, MDOT Metro Region Engineer  
Jack Cotter, Commission Auditor, Office of Commission Audits  
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits  
About 15-20 people were in the audience; a sign-in list is attached to the official minutes.

### I. WELCOME

Chair Wyett called the meeting to order at 10:00 a.m.

Chair Wyett introduced new to the STC board, Commissioner Chris Yatooma. Mr. Yatooma gave a brief update on his background, which consist of a little construction, real estate and he works closely with the utility industry. Mr. Yatooma mentioned how he's looking forward to working with everyone and if there's any questions, he's accessible if anyone wants to sit down and talk.

Chair Wyett introduced Commission Advisor Troy Hagon as the replacement for Phil Browne. Chair Wyett praised the great job done by Phil Browne and stated he could not have done his job if it wasn't for Phil's assistance. Chair Wyett stated that he's now looking forward to working with Troy and knows he'll do a great job, as well.

Chair Wyett informed commissioners that if there's any corresponding with anyone within MDOT, they need to make sure to copy the Director and Troy in all correspondence. This is for their own benefit, the benefit of MDOT, and Governor.

Commission Advisor Troy Hagon gave a brief introduction about himself and shared that he's been with MDOT since 2008. Mr. Hagon stated that he's looking forward to working with everyone.

Chair Wyett briefly gave an introduction of the new Director of MDOT, Director Paul Ajegba. Director Ajegba replaces the retired Kirk Steudle. Chair Wyett praised Director Ajegba and looks forward to working with him. Chair Wyett informed everyone that Director Ajegba was called to the Governor's Office so he couldn't attend the present meeting. Therefore, Director Ajegba will receive a better introduction at the next meeting.

- ***Director's Report***

COO Tony Kratofil gave the Director's Report in absence of Director Ajegba. Before addressing the Director's Report, Mr. Kratofil spoke briefly on Director Ajegba. Mr. Kratofil stated that he's known the Director for 27 years dating back to Mr. Kratofil's second day with MDOT. Mr. Kratofil praised Director Ajegba's work and some of the Director's accomplishments so far. For instance, the Director is driven by innovation, the Director was an instrument with the Flex Route on US-23, the development of MCity and ACM for connected and automotive vehicle testing. Mr. Kratofil stated that if anybody could come behind the retired Kirk Steudle, it would be Director Ajegba.

The key messages Director Ajegba asked that Mr. Kratofil convey to everyone was the continuance and push to having strong partnerships MDOT has with the industry. Mr. Kratofil stated that they are necessary with delivering a program, especially if it's going to grow. Mr. Kratofil stated that Director Ajegba has been a champion for innovation so he's going to continue to find ways for MDOT to continue to grow; making it much easier to find information for all individuals.

Mr. Kratofil gave an update on changes within the regions. Dee Parker is now the University Region Engineer, Mr. Parker was previously the Southwest Region Engineer. Will Thompson is now the Southwest Region Engineer. Mr. Kratofil stated that they're currently working on filling the Metro Region Engineer, which was held by Director Ajegba briefly. Chair Wyett added that he would like to meet the new Southwest Region Engineer, Will Thompson. Chair Wyett also stated that he's spoken with the Director on implementing a process to get to know all Region Engineers, so the board can get familiar with them.

Commissioner Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

## II. **COMMISSION BUSINESS**

- ***Minutes of October 17, 2018, Commission Meeting (motion required)***

Chair Wyett requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter gave a brief update on what he's spoken to the Director about if fraud was to occur within MDOT. Fraud is an intentional misrepresentation of facts made by one person to another person, knowing that such misrepresentation is false but will induce the other person "to act" – resulting in injury or damage to him or her. Mr. Cotter stated that as a part of a conversation with Director Ajegba, he explained that there is a law which requires him to report to the Director if he becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of a program or operations. If the activity is suspected to be criminal, the Director is to inform the Governor, Attorney General, and the Auditor General. "Criminal" most likely refers to fraud.

Mr. Cotter also shared some United State statistics from the FBI. Mr Cotter also stated what fraud is not, for instance, fraud is not the same thing as someone using no judgement or bad judgement. Auditors are required under standards to be aware of the existence of fraud and to develop its procedures to address fraud risks. OCA meets those standards and are fortunate to have certified fraud examiners on staff who can brainstorm as topics arise. **No motion required.**

### III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Carol Rademacher***

Ms. Rademacher presented information on 15 agreements. Pending any questions, Ms. Rademacher asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Zeerip supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Carol Rademacher***

Ms. Rademacher presented information about Letting Statistics and Exhibit A-1. Exhibit A-1 listed 31 constructions projects to be let February 1, 2019, all over \$500,000. Pending any questions, Ms. Rademacher asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for October, November, and December
  - 62 projects totaling approximately \$85 million were finalized.
  - 7 projects were more than 10 percent over the original contract amount
  - 37 projects came in under original contract amount
- Final monthly contract costs were respectively 1.81, -2.41, and 7.52 when compared to their original contract amount.
- Fiscal year to date is averaging 2.34 percent over original contract amount.

- Local Agency Projects for October, November, and December
  - 73 projects totaling approximately \$52 million were finalized.
  - 5 projects were more than 10 percent over the original contract amount
  - 42 projects came in under original contract amount

**No motion required.**

IV. **INFORMATIONAL REPORTS**

- *Director's Agenda, December 13, 2018 – Carol Rademacher*
- *State Administrative Board Agenda, January 8, 2019 – Carol Rademacher*

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 10:37 a.m.

VI. **NEXT MEETING**

The next full meeting will be held Thursday, April 18, 2019, Royal Oak, MI.

---

Troy Hagon  
Commission Advisor